Chain Store Age EXECUTIVE

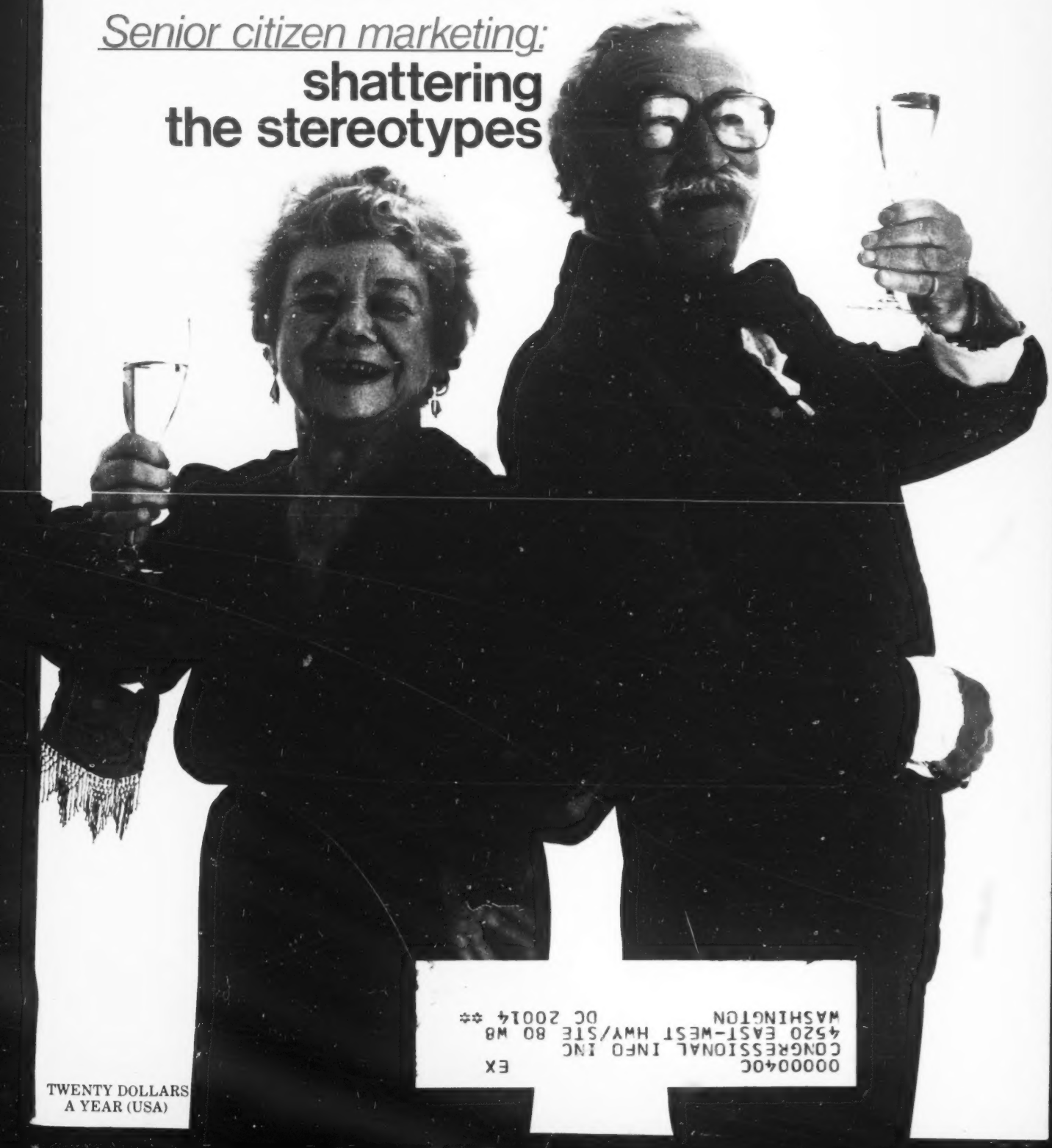
with Shopping Center Age

The newsmagazine for retail operations

August 1984

$100 MILLION CLUB

Senior citizen marketing:
shattering the stereotypes



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By William U. Westerfield

Filling the LIFO gap in GAAP

Looking for authoritative guidance on how to apply the last-in, first-out (LIFO) inventory method? Forget about accounting standards; these contain only a passing reference acknowledging LIFO's acceptability. Although S.E.C. has provided some views—mainly on what not to do—and a few disclosure rules, the only reasonably comprehensive information is the Internal Revenue Service.

The fact that a substantial number of retailers use LIFO for their inventories, together with opportunities for misconstruction inherent in the method's mechanics, makes the absence of GAAP (General Accepted Accounting Principles) for LIFO seem like a yawning chasm. But, prior to early 1981, when IRS' interpretation of its LIFO conformity requirement was softened, companies had little latitude to use differing book and tax treatments. Following publication of amended tax regulations, the AICPA (American Institute of Certified Public Accountants) commissioned a task force to study the matter and S.E.C. emphasized the need for financial accounting and reporting rules for LIFO in a published release.

Now, the task force has presented an issues paper: "Identification and Discussion of Certain Financial Accounting and Reporting Issues Concerning LIFO Inventories." The 119-page paper contains background, illustrations, arguments and advisory conclusions on some 75 separate LIFO issues.

The trail to accounting and reporting standards for LIFO is somewhat of a slippery slope. Important deviations from the rules retailers must follow for tax purposes would pose problems. For example, any move that would trigger the needs for two sets of LIFO calculations could be counterproductive.

Fortunately, this is one area where tax and financial reporting objectives share common ground: both seek to avoid opportunities to play games with the numbers. In the opinion of the task force, portions of the tax rules should be considered acceptable for financial reporting purposes.

Naturally, it's a long way from an AICPA issues paper to FASB-sanctioned standards and, frankly, I do not expect extensive FASB action any time soon. In the meantime, the issues paper, unlike recent counterparts dealing with low-priority subjects, merits attention.

Although I do not agree with all of the "advisory conclusions" of the task force, the paper stands as a solid first attempt to view LIFO from an accounting and reporting rather than a tax perspective, to identify the issues and to explain relevant considerations. As a temporary measure, it helps to fill the LIFO gap in GAAP.

William U. Westerfield is chairman, Retailing Industry Services Group, Price Waterhouse, 153 E. 53rd St., New York, N.Y. 10022.

F.Y.I.

Southland installs ATMs in Texas

The Southland Corp. entered into an agreement with First Texas, a Dallas bank, to install 1,000 MoneyMaker ATMs in its Texas-based 7-Eleven stores. The project, started in Austin in the early spring, is proceeding at a three-installation-per-day schedule, which will see 7-Eleven's Dallas/Fort Worth area fully outfitted by October. All the Texas stores will have the automatic teller machines by late 1985.

The machines will be owned and fully maintained by First Texas' wholly owned subsidiary, MoneyMaker EFT Services, but the Southland Corp. will receive transaction fees on the bank card transactions conducted in its 7-Eleven stores.

Southland would not disclose the nature of the transaction fee arrangement. A company spokesman did say, however, that Southland is not seeking fees equal to its sales per square foot in the area occupied by the Docutel-manufactured automatic teller machines.

"The main attraction," according to a Southland spokesman, "is not the fees, but a new customer base." The chain expects increased customer traffic, as well as a more upscale clientele, to be attracted by the presence of the ATMs.

The Texas installation is part of the "plan to install ATMs in all 7,313 7-Elevens nationwide over the next four years. This will be accomplished through a series of regional agreements with various bank networks, since First Texas will only be responsible for the Texas-based stores.

Customers will be able to use the following bank cards in the machines: MoneyMaker, Pulse cards including BOSS, Quicksilver, FirstNet, Paymaster, Anytime and Doughboy; MPACT, Teller 24 and activated American Express, MasterCard and VISA. The stores are open 24 hours a day.

Correction

In the July 1984 issue of *Chain Store Age Executive*, a chart on page 30 incorrectly identified the mean average of department stores opened in 1983-84. The mean average size of department stores opened in 1983-84 was 128,800 sq. ft., only slightly smaller than the average existing store, which boasts 138,200 sq. ft.

Chain Store Age EXECUTIVE August 1984

COVER STORY

Senior citizen marketing: Shattering stereotypes

One segment of the population, controlling 28% of the United States' discretionary income, is being ignored

In what appears to be an almost incredible strategic omission, the vast majority of American retail companies are ignoring the huge market potential of a segment of the population that currently accounts for $575 billion in personal household income, or nearly one-third of the United States total.

This group, numbering 47 million people and expected to grow to 59 million by the year 2000 (or 1 out of every 4 Americans), represents that segment of the population aged 55 and older. They currently control 28% of all United States discretionary income.

Yet, with only a handful of exceptions such as Sears, Roebuck and May Department Stores (*see accompanying stories*), conversations with numerous retail companies and industry observers indicate that most retailers refuse to acknowledge, much less reach out to, this burgeoning consumer group.

"I think that there are still a number of basic misconceptions about older Americans," says Dr. Carole Allen, a Washington, D.C.-based psychologist and marketing consultant. "Most retailers still aren't aware that this is a group with money to spend. Generally a retailer looks upon this as a poverty group and it takes a lot of whittling away to change this concept."

In addition, the "new" over-55 consumer is far different from the previous older generation. Today, "Being older does not have to mean thinking or acting old. For those with the right resources—good health, money and the right attitude—aging is a new stage of freedom from pressure and external responsibilities," writes Judith Langer in the *Langer Report*. Langer is president of Judith Langer Associates which specializes in psychographic research of different consumer groups.

However, despite what the research indicates, most retail companies still seem to have blinders on when it comes to looking beyond a very specific definition of their target markets—with the emphasis remaining solidly on youth. (Another exception is a group of drug chains which are experimenting with home health care centers, *see accompanying story*).

Ask almost any retail company executive for the target market definition and it's the same—the 25 to 44 age group. Even in Florida, the state with the highest percentage of population comprised of older residents, many major retailers report no specific marketing efforts aimed at going beyond this age barrier.

An example of the prevalent attitude of most retailers is that of J. C. Penney. While being a leader in recognizing and responding to other emerging marketing trends ("Say 'si' to untapped markets," *Chain Store Age Executive*, March 1984), it reportedly has done no research (at least recently) aimed at studying the demographics, psychographics and/or

More for their lives

Mature Outlook's aim is to get older consumers back into Sears stores.

Launched on Jan. 23 of this year, Sears, Roebuck's Mature Outlook club had 125,000 members by the end of June—and the numbers are heading steadily upward, according to Susan Schneider, marketing director.

Mature Outlook, a membership organization for people 55 and older, is a venture enabling Sears to offer to people 55 plus a blend of services which includes, in addition to merchandise, insurance (through Allstate), investment advice (through Dean Witter Reynolds) and real estate advice (through Coldwell Banker). Members of Mature Outlook receive a magazine, a newsletter and discounts on services—a total of 30 benefits, says Schneider.

She explains that "After a lot of extensive research on people aged 55 plus, we decided to market our services directly to this group. We then looked for a good distribution channel to communicate with them and Mature Outlook was a result."

Part of the purpose of Mature Outlook involves "Reinviting older consumers back to our stores," Schneider admits, noting that Sears has been renovating stores "So that they are now really new stores."

However, for many older consumers, "It could be that the last time they visited a Sears store was when they were first married and they came in to buy appliances," she says. "We want them to come back to Sears."

Mature Outlook is a totally direct mail program, with membership applications and information currently going out as billing inserts to Sears' charge account customers. The effort is being backed up with some limited television and newspaper advertising.

buying patterns of the older consumer. Nor do its current market efforts encompass this group.

"After all, that group isn't our target audience," says a spokesman. "We've been repositioning our stores to offer more fashion merchandise and appealing to a younger age group, the 25 to 44 year old, goes along with that."

The response of a 69-year-old woman to Penney's strategy is that "For years I've been shopping Penney's, but only since they've upgraded their apparel departments have I started buying some of my clothes there—and my husband's too. But if that's Penney's attitude, I certainly won't be shopping there anymore. I'll find someplace else that wants my business."

How many other consumers may Penney's and other chains be turning off when they not only fail to meet the needs of the affluent, older consumers, but refuse to admit they exist?

How much longer can retailers who are fiercely battling for every percentage point of market share afford to ignore 20% of the American population?

Not only is it above other groups in terms of discretionary income, but this population segment owns 68% of all money market funds and controls 80% of all money in savings and loan institutions. Seventy per cent of this group own their own homes and most have mortgages that have been paid off.

When the age criteria is expanded to encompass those over 50 years of age, the size of the total group swells to 1 out of every 3 adults. Earnings per capita for this group are 20% more than for the 18 to 44 age group and it controls more than 50% of all discretionary income in the country, according to research conducted by Donnelley Marketing.

Bill Hahn, an account executive for Mature Marketing, also points out that "Statistics show that the individual under 50 has 15¢ out of every dollar to spend for discretionary purchases. The individual over 50 has more than 30¢—or twice the spending power. Yet people still tend to negate this market."

However, approximately two years ago, the Food Marketing Institute did conduct research on "The Supermarket Shopping Experience of the Older Consumer," concentrating on the over-65 shopper and utilizing focus group sessions.

This report offered a number of recommendations, ranging from which products to stock (older consumers were shown to have a preference for national, advertised brands and few mentioned buying generic goods) to suggestions for making the stores easier for them to shop (including widening the aisles and using signage with larger, bolder print). Yet according to Timothy Murphy, a marketing consultant with Willard Bishop Consulting Economists, "I am not aware yet of any supermarket company that is really going after the older consumer."

K mart is already recognizing the dynamics of the aging of the population—and trying to find ways to respond, although its program is less extensive than Sears.

Susan Feinberg, manager of the economics and consumer analyst department at K mart, says, "We do a huge consumer survey each year. Among the categories we look at are the 45- to 64-year-old with no children under 18 living at home; the 45- to 64-year-old with children under 18 living at home, and those age 65 plus—we analyze consumers more by lifestyle than by demographics."

She observes that "Our research and other statistics have shown that in terms of discretionary income, these are very important groups—and it's a myth that all old people are poor. This is also a high-growth segment—and optical and pharmacy are particularly high-growth product areas for the older consumers."

In addition to paying attention to specific merchandise categories, K mart is reaching out to these older consumers by offering discounts in certain departments such as pharma-

cy, health aids and optical, by making certain that sales help is polite to older people—and responsive to their needs and questions—and by providing such courtesies as benches where older consumers can sit and rest.

Among the handful of other retailers who are paying some special attention to this group, most efforts have so far been confined to offering senior citizen discounts. However, Pergament, headquartered on Long Island in New York, reportedly holds a "senior citizen's day" on a regular basis, while Peoples Drug, Alexandria, Va., has run television advertising campaigns aimed specifically at this target market. Such efforts, though, are still a rarity.

Dr. Allen, who worked with Peoples Drug in helping them to reach the older consumer, believes that "Once a competitor goes out there and has success in marketing to this consumer group, then others will decide 'We had better do something.'"

According to Allan, the "big obstacles" for retailers that must still be overcome include "their psychological attitudes, not understanding what older people really want and need, and a basic lack of knowledge about the market—including not realizing that there is a lot of money out there."

Specifically, "Some retailers don't want to have their stores associated with the elderly. They are afraid it will turn off younger consumers. Too, there is a tendency by retailers to think that all older people are frail and sickly, but most elderly people are healthy and they are interested in a variety of products.

"Another problem is the lumping of all older persons together—but people are starting to get away from this image. Someone in his 60's or 70's is far different from a person in his 80's, for example."

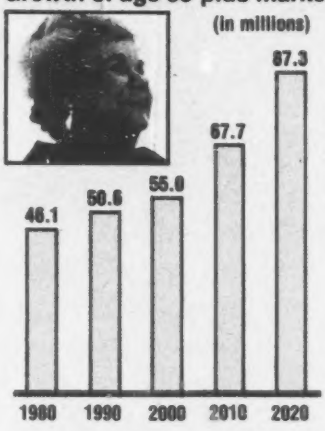
Bill Straus, executive director of Sears' Mature Outlook program believes that "Retailers aren't ignoring the older consumers; they are troubled with how to go after this market, since there is a big difference between the customer 55 and 65. Never before have they had to target market within an age demographic and they don't know yet how to do it."

He adds that "oversimplification of their marketing is also part of the problem for retailers. They keep saying that youth will carry the message, that everybody likes to look at youth, but this is baloney. I call this the ostrich method of merchandising. You have got to have a mix or you are going to turn off the senior consumer."

When it comes to advertising, specifically, Hahn also points out that "Older people are turned off by seeing young people all the time. This means you can't use the same campaigns to reach teens and younger adults and that you would use to reach the older consumer. It is like trying to use the same campaign to reach both English-speaking young adults and Hispanics. The words and visuals mean different things and they are perceived differently."

One of the most successful means of reaching the older consumer has traditionally been through direct mail marketing, and specifically through catalogs. In recognition of the growth and relative affluence of this market, recent years have seen the launching of specialty catalogs aimed directly at this market, such as *Comfortably Yours*, offering products that make life easier for the older consumer, and *Mature Wisdom*, a catalog produced

Growth of age 55-plus market



Source: Department of Commerce

Altruistic spirit in St. Louis

At Famous-Barr, the St. Louis-based department store chain, serving the older consumer is not a matter of dollars and cents, but rather one of altruism, according to Marcus Tully, vp-marketing.

As an outgrowth of the company's already existing Arts for Older Adults program, Famous-Barr launched the Oasis Club two years ago for those over 60 years of age. The program is being run in conjunction with the University of Missouri and financing costs incurred by Famous-Barr are being matched by Government grants from the President's Commission on the Aging.

Tully explains that when Marilyn Mann of the University of Missouri first suggested the program, "Because of the increase in the over-60 population and because Famous-Barr is well-known in the St. Louis market for its altruism, we were interested in expanding our existing programs," she says.

The Oasis Club now has 10,000 members in three facilities. There are club rooms where people can come in on a daily basis to socialize with one another as well as to simply relax. There are also various cultural and educational programs taking place on a regular basis, plus certain store benefits especially for club members. These benefits include a 10% discount on purchases in the store on specified days, and having the store opened two hours early for club members on a day during the Christmas selling season, and prior to other selected holidays.

Other retailers often offer as an excuse for their lack of marketing to the older consumer the belief that such efforts would "turn off" their more youthful key target audience. However, Tully has found just the opposite to be true.

"I think that we do enough on the young side that younger people certainly wouldn't say to themselves 'this is a stodgy store' or 'this store doesn't understand me.' Instead, I think there is more the attitude that this is a terrific store because 'hey, look what it is doing for older people!' Unlike the 1960's, perhaps, I think today there is much more compassion on the part of younger people for older consumers. I think we are offering the best of both worlds."

However, he does suggest that while retailers have been putting so much emphasis on youth, "maybe they said that the older person is not that great a customer—he or she is not spending money. But I think that attitude is a big mistake."

He points out that of the over 10,000 members of the Oasis Club, 80% or more enjoy a moderate or better income. The sales made on the days when Famous-Barr offers club members 10% discounts "have come to represent big, important volume for us—this is a very lucrative market."

So far, two other May Department Store divisions, Hecht Co. in Baltimore and May Co. in Cleveland, have established Oasis Club outposts and others are reportedly in the works.

by Hanover House. (Sears, Roebuck has also introduced a home care catalog.)

Another area that may hold significant potential for reaching the older consumer is that of public-access electronic shopping systems. For example, T. Paul Dorrington, director of special projects for Melvin Simon, reports that in San Antonio, where the company has been testing such a system in one of its centers, "We have found that the usage curve is particularly high for the 25- to 39-year-old age group. However, the interesting thing is that the curve comes back up at over 65—they are using the system more than people in their early 40's and early 50's."

He adds, "While research has shown that the over 55 age group tends to be somewhat intimidated by computers and has not moved rapidly to using Automatic Teller Machines, at San Antonio we are using a touch-sensitive screen, and this seems to make the difference. It's very user-friendly."

His prediction is that "As we move into more touch-systems and voice-activated systems, which will be happening in the next two or three years, I think such systems will be adopted and used by the over 65 consumer—where they don't have to learn new technology and where they will not be intimidated by someone younger standing next to them doing the process faster."

In the area of in-store retail formats, the aging population appears to represent significant market potential, especially in such areas as optical centers (*Chain Store Age Executive*, June 1984); drug stores and home health care chains; home improvement centers; home furnishings stores—and any type of retail outlet where "grandma bait" is offered.

There are also reportedly major gaps in the availability of apparel suitable for the older woman's figure—and active lifestyle.

There are many opportunities indicated for the retailer who is willing to set some new goals. For example, Bill Ress with Management Analysis Center in Cambright, Mass., points out that "Most retailers are looking at the superficial statistics that show the 25 to 44 age group is growing quickly, so that is where they direct their efforts. But so is everyone else.

"I suggest to them that instead of doing this, they should be asking 'Are we in a position to be more effective in a smaller market that no one else is going after?'" It doesn't hurt that while the over 55 market is smaller in numbers, it's richer in dollars to spend. ■

—Jacquelyn Bivins

Drug chains tap older market

Home health care centers began as central facilities, supplying items beyond regular inventory.

While some retailers have yet to capitalize on the discretionary spending power of the over-55 consumer, a number of drug chains have tapped the more conventional image of the senior citizen—as a consumer of home health care products.

There are now 13 major drug chains operating freestanding home health care centers, led by Hook Drugs, Indianapolis, which began in 1977 with a single unit and now has 10 of them under its belt. Hook plans to build five more in 1984, and long-range plans call for 40 centers. Harco Drug, Northport, Ala., runs six home health care outlets and Begley Drug of Richmond, Ky., has four; both chains plan to expand their holdings.

Home health care could become a $17 billion market by 1990, according to some optimistic estimates

The lure for these chains, as well as for bigger operations such as Eckerd Drug and Walgreen, who are currently testing the concept, is what chain execs say is a $4 billion market—and one that is expected to grow to more than $16 billion by the end of this decade. The more optimistic say that the home health care business could exceed $17 billion by 1990.

The reason? Execs point to the exorbitant—and still rising—cost of hospital care. One estimates that it would typically cost $6,000 a month to stay in a hospital, $1,200 a month to stay in a nursing home, but only $250 to receive care at home.

While there's seldom an unplanned purchase in this business, home health centers must be easily accessible and easily visible. But the stores need not be large. Usually, they're in the 1,500- to 2,500-sq.-ft. range, although some, such as those recently launched by the Medicare-Glaser chain in St. Louis, weigh in at around 3,500 sq. ft. each.

In many cases, the home health care store sprang up as a central facility for a drug chain, to which pharmacists could refer their customers when they needed something beyond what the drug store carried in its 8-ft. convalescent aids department. The basic merchandise mix includes hospital beds, wheelchairs, orthopedic appliances, diagnostic aids, incontinence products, ostomy supplies and appliances, surgical supplies and exercise equipment.

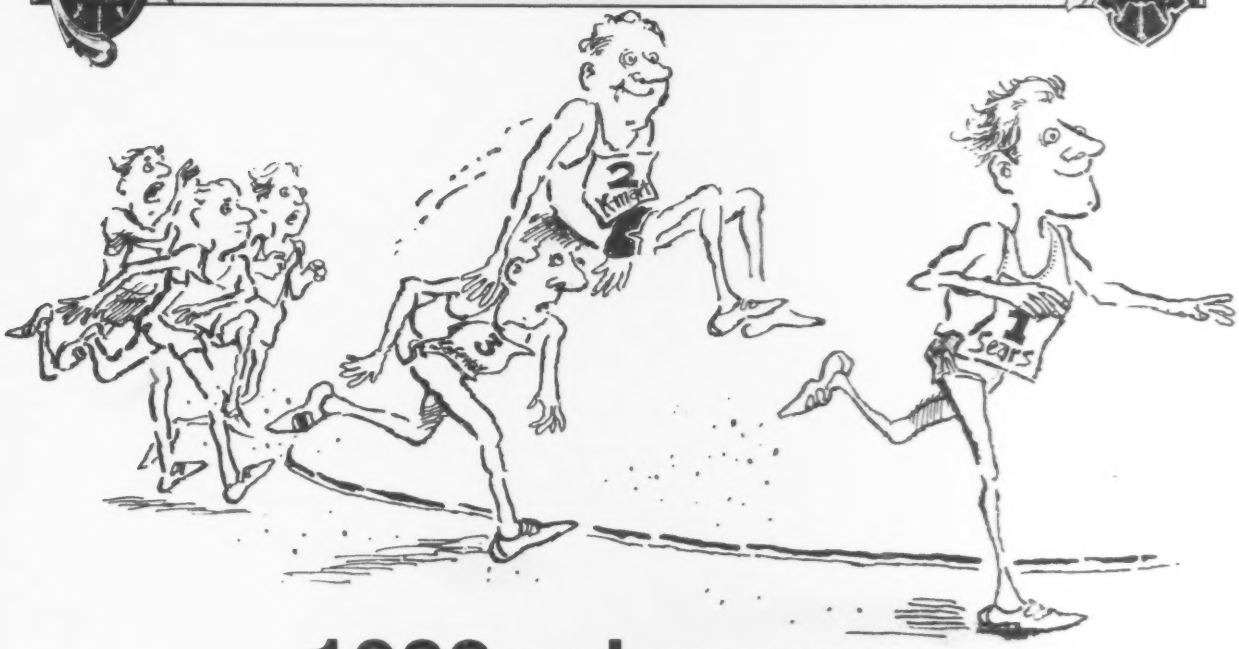
The investment in such operations can be as wide-ranging as the chain's approach to the business. The atmosphere can be stark and institutional or imitative of the home, with simulated bedrooms and the like.

But all home health care centers require a large investment in inventory. In some cases, investment per store can run as high as $400,000.

But while the freestanding home health care unit makes sense as an add-on for a drug chain, it does not necessarily present an opportunity for other retailers seeking diversification opportunities. One of the keys to this business is a large number of contacts with the health care community around each store, an established resource for a chain of drug stores.

And even then, the managers of these centers are asked to call on nursing homes, health spas, physical therapists and anyone else whom the chain does not ordinarily deal with, in order to position the center as the first option for health care supplies. ■

$100 MILLION CLUB



1983 sales race: Jockeying for position

In a year when American business was on the upswing, most retailers hit their stride again and sprinted for record sales and earnings. Some notable exceptions were in the supermarket category . . .

Retailers in all classes of trade rode a resurgence in consumer spending in 1983, as both sales and earnings rose to robust levels. Perhaps only in the supermarket sector did sales and earnings fluctuate, as entities such as Grand Union, Jewel Cos., and Kroger found 1983 a tough row to hoe.

These trends are reflected in *Chain Store Age Executive*'s annual $100 Million Club, a line-up of the top volume producers. Sears, for instance, maintained its place at the top of the heap in 1983 by posting a 21% gain in retail sales to $25.1 billion, as compared with $20.7 billion the year before. The nation's largest retailer by volume found that the consumer responded favorably to its new merchandising strategy—which, in management's words, "aimed at balancing Sears' market power in hard lines with increasing soft lines opportunities."

K mart surpassed Safeway to secure second place on the list by virtue of a 10.9% hike in sales to nearly $18.6 billion. What's more, the country's largest discounter eked out $492 million in net earnings in 1983.

Nevertheless, Safeway made it a close contest by increasing its volume 5.4% to $18.59 billion, while net earnings showed a 15% increase to $183 million, and net-to-sales crept up to a full percentage point.

Kroger maintained its No. 4 spot last year with $15.2 billion in sales, and J. C. Penney stayed No. 5 with a $12.1 billion performance. But Lucky Stores slipped from sixth place to eighth on the basis of a slim 5.2% increase in sales to $8.4 billion—to be replaced as No. 6 on the list by Southland Corp. Southland finished the year with $8.8 billion in sales, a gain of 29.8% over $6.8 billion the year before.

At this writing, American Stores, ranked No. 9 on the basis of its 1983 performance, and Jewel Cos., ranked No. 14, were slated to merge, thereby creating a retailing conglomerate that would surpass all but Sears, K mart, Safeway and Kroger in total sales. But since the merger was not a fait accompli at presstime, companies are listed separately.

The earnings column is like a breath of fresh air after last year's profit depression. K mart's net profits soared 88% in 1983. Montgomery Ward went from $75 million in the hole to a $54 million profit. The retail segment of Household International boosted its operating income to $39.6 million from last year's paltry $5.5 million, and in the supermarket sector, A&P showed new resilience with a 77% gain in net earnings.

In the category of earnings as a percentage of sales, J. C. Penney and Federated Department Stores fared best among the top dozen retail organizations, with marks of 3.9% and 3.8%, respectively. Dayton Hudson was a close third, however, with a mark of 3.5%. ■

$100 MILLION CLUB

Chains	1983 Sales (000)	1982 Sales (000)	1983 Earnings (000)	1982 Earnings (000)	1983 Earnings As % of Sales	1982 Earnings As % of Sales	Return On Equity	Existing Units 1983	Units To Be Added 1984
1. Sears, Roebuck & Co.*	$25,089	$20,667	$781.4	$432.0	3.1	2.1	14.4	813	14
2. K mart	18,598	16,772	492.3	261.8	2.6	1.6	17.8	2,547	30-35
3. Safeway	18,585	17,633	183.3	159.6	1.0	0.9	14.5	NA	NA
4. Kroger	15,236	14,762	127.1	192.1	0.8	1.0	11.8	1,428	101
5. J. C. Penney	12,078	11,414	467.0	430.0	3.9	3.8	14.5	2,014	67
6. Southland	8,805	6,782	131.8	108.1	1.5	1.6	15.4	8,052	350-450
7. Federated Dept. Stores	8,689	7,699	338.3	232.8	3.8	3.0	15.2	551	6
8. Lucky Stores	8,388	7,973	105.4	92.2	1.3	1.2	18.9	1,629	150
9. American Stores	7,984	7,508	117.9	90.4	1.5	1.2	24.5	1,027	NA
10. Winn-Dixie	7,019	6,764	113.5	103.5	1.6	1.5	20.7	1,210	25
11. Dayton Hudson	6,963	5,661	243.2	198.4	3.5	3.5	18.0	1,075	103
12. Montgomery Ward	6,003	5,584	54.0	(75.0)	0.9	NA	3.3	375	0
13. Jewel Cos.	5,724	5,572	83.1	88.1	1.5	1.6	13.9	1,124	90
14. F. W. Woolworth	5,456	5,124	118.0	82.0*	2.6	1.6	11.9	5,276	339
15. Household Int*	5,306	5,310	39.6*	5.5*	0.7	0.1	7.7	1,023	NA
16. A&P	5,222	4,608	47.6*	31.2*	1.1	0.7	7.2	1,022	NA
17. Army/Air Force Exchange	4,800	4,619	221.0	202.9	5.0	4.8	20.5	NA	NA
18. Wal-Mart	4,667	3,376	196.2	124.1	4.2	3.7	32.0	646	111[a]
19. Albertsons	4,279	3,940	70.3	58.4	1.6	1.5	19.2	432	42
20. May Dept. Stores	4,212	3,654	187.0	141.0	4.4	3.9	18.1	1,584	NA
21. Melville	3,923	3,261	176.3	142.1	4.5	4.4	23.0	5,747	263
22. ADG	3,718	3,189	115.5	78.4	3.1	2.5	14.9	382	16
23. Allied Stores	3,676	3,216	128.5	90.7	3.5	2.8	14.0	570	27
24. Carter Hawley Hale	3,633	3,055	67.5	49.0	1.9	1.6	9.1	1,085	NA
25. Supermarkets General	3,518	3,247	40.7	37.7	1.2	1.2	18.2	199	12
26. R. H. Macy	3,468	2,979	186.7	135.6	5.4	4.6	21.0	93	3
27. Grand Union	3,440	4,137	(115.2)	0.2	NA	NA	NA	610	0
28. Batus*	3,145	2,467	218.3**	166.4**	NA	NA	NA	232	0
29. Publix	2,835	2,507	56.7	46.8	2.0	1.9	17.9	270	10
30. Stop & Shop	2,791	2,342	50.8	34.8	1.8	1.5	21.8	413	25-27
31. Zayre	2,614	2,139	61.4	35.2	2.4	1.6	17.7	749	100
32. Tandy	2,475	2,033	278.5	224.1	11.2	11.0	28.8	4,584*	150-175
33. Von's	2,383	NA	NA	NA	NA	NA	NA	174	NA
34. Walgreen	2,361	2,039	69.8	56.1	3.0	2.8	21.4	941	80
35. Jack Eckerd	2,325	2,080	71.7	70.7	3.1	3.4	13.1	1,797	140
36. Best Products	2,081	1,582	37.1	28.8	1.8	1.8	10.0	197	8
37. Giant Food (Md.)	1,957	1,843	40.5	37.2	2.0	2.0	22.8	131	2
38. Rapid American	1,828	1,741	170.5**	142.6**	NA	NA	NA	1,084	NA
39. Revco	1,793	1,555	66.5	49.6	3.7	3.2	20.2	1,661	110-120
40. Mercantile	1,626	1,428	83.2	69.9	5.1	4.9	16.9	77	2
41. Belk†	1,600	NA	NA	NA	NA	NA	NA	NA	NA
42. H. E. Butt†	1,600	NA	NA	NA	NA	NA	NA	NA	NA
43. Waldbaum's	1,587	1,491	13.9	16.8	0.9	1.1	12.9	142	3-4
44. W. R. Grace*	1,547	1,325	30.8**	23.3**	8.0	30.0	NA	568	NA
45. Wickes*	1,500	NA	27.9**	NA	NA	NA	NA	731	38
46. Super Valu*	1,483	1,249	44.4**	36.5**	NA	NA	NA	387[b]	9
47. Service Merchandise	1,458	1,195	44.9	31.6	3.0	2.6	19.6	173	NA
48. Lowe's	1,430	1,034	50.6	25.1	3.5	2.4	20.7	238	12
49. Loblaws	1,374	1,336	11.1	9.4	0.8	0.7	NA	NA	NA
50. Toys "R" Us	1,320	1,042	92.3	64.2	7.0	6.2	23.6	175	39-41
51. SCOA	1,305	1,155	41.8	36.1	3.2	3.1	22.0	140	12
52. Sherwin Williams*	1,302	1,162	34.6**	27.7**	NA	NA	NA	1,819	182
53. First National	1,277	1,268	1.2	11.8	0.1	0.9	2.6	142	3
54. Rite Aid	1,223	1,049	74.3*	55.0*	6.1	5.2	22.9	1,148	100
55. Pay 'n Save	1,220	1,091	30.1	19.6	2.5	1.8	15.7	312	11
56. Longs	1,214	1,123	36.4	30.1	3.0	2.8	17.2	178	13
57. Meijer	1,200	NA	NA	NA	NA	NA	NA	NA	NA
58. Thrifty Corp.	1,188	1,126	22.5	18.3	1.9	1.6	17.4	788	NA
59. Fred Meyer†	1,188	NA	NA	NA	NA	NA	NA	69	NA
60. Food Town	1,172	947	27.7	21.9	2.4	2.3	NA	NA	NA
61. Cullum	1,127	1,062	13.9	13.0	1.2	1.2	18.3	132	1
62. Woodward Stores	1,120	1,104	4.8	8.9	NA	NA	NA	NA	NA
63. Hy Vee Food	1,099	1,007	NA	NA	NA	NA	NA	150	5
64. The Limited	1,086	721	70.9	33.6	6.5	4.7	45.0	937	275
65. Circle K	1,028	748	21.7	15.2	2.1	2.0	NA	NA	NA
66. Edison Brothers	1,022	916	48.9	23.2	4.8	2.5	17.9	2,175	90

* Retail only ** Operating earnings ( ) Loss NA Not available † Estimated [a] Minus 263 closed [b] Sold 269

Source: Chain data and *Chain Store Age Executive* estimates

$100 MILLION CLUB

Chains	1983 Sales (000)	1982 Sales (000)	1983 Earnings (000)	1982 Earnings (000)	1983 Earnings As % of Sales	1982 Earnings As % of Sales	Return On Equity	Existing Units 1983	Units To Be Added 1984
67. Zale Corp.	$ 1,003	$ 940	$ 35.4	$ (0.1)	3.5	NA	8.7	1,552	NA
68. Borman's	996	1,001	(10.9)	7.4	-1.1	0.7	NA	101	2-5
69. U.S. Shoe*	973	768	78.1**	58.4**	NA	NA	NA	1,123	245
70. Pantry Pride	942	930	13.5	15.5	1.4	1.7	33.6	148	8
71. Evans Products	928	790	69.6	56.3	NA	NA	NA	345	NA
72. Consumer's Dist.	899	788	16.1	13.1	1.9	1.7	0.2	339	41
73. Weis Markets	892	812	50.1	43.2	5.6	5.3	18.9	116	5
74. Smith's	888	848	NA	NA	NA	NA	NA	NA	NA
75. Pneumo Corp.*	882	825	20.8**	17.6**	NA	NA	NA	187	NA
76. Roundy's	877	703	NA	NA	NA	NA	NA	NA	NA
77. G. C. Murphy	872	822	18.4	11.7	2.1	1.4	13.0	403	1
78. Payless Cashways	865	603	34.6	23.1	4.0	3.8	19.8	118	36
79. Payless Drug (N.W.)	853	785	24.7	19.4	2.9	2.5	24.9	149	10
80. Dillard Dept. Stores	848	711	34.1	21.9	4.0	3.0	21.2	66	15
81. Roses	829	662	21.9	11.6	2.6	1.8	21.7	191	8-10
82. Peoples Drug	791	688	13.7	10.5	1.7	1.5	16.5	575	55
83. Nordstrom	788	613	40.2	27.0	5.1	4.4	18.3	39	4
84. Schnuck Markets	750	650	NA	NA	NA	NA	NA	NA	NA
85. Purity Supreme†	740	463	NA	NA	NA	NA	NA	NA	NA
86. Big Bear (Ohio)	704	652	9.8	8.6	1.4	1.3	27.7	90	0
87. Stater Bros. Markets	700	650	NA	NA	NA	NA	NA	93	3
88. Interco*	694	686	29.0**	22.3**	NA	NA	NA	551	NA
89. 84 Lumber	690	600	NA	NA	NA	NA	NA	374	NA
90. Western Auto	690	NA	NA	NA	NA	NA	NA	NA	NA
91. Ames	647	423	19.9	12.4	3.1	2.9	22.3	168	12
92. Levitz	644	486	27.4	8.8	4.3	1.8	19.0	85	10
93. Raley's	640	560	NA	NA	NA	NA	NA	45	4
94. National Convenience	632	617	14.2	12.2	2.2	2.0	23.6	1,012	75
95. Petrie	626	567	47.6	45.4	7.6	8.0	17.3	953	50-75
96. Hannaford Bros.	624	559	9.6	7.9	1.5	1.4	18.4	94	8
97. Cole National	617	500	17.7	12.7	2.9	2.5	18.8	599	71
98. Bruno's	605	549	15.2	12.4	2.5	2.3	28.0	66	8
99. Demoulas†	605	425	NA	NA	NA	NA	NA	NA	NA
100. Marsh Supermarkets	605	568	1.6	4.6	0.2	0.8	NA	220	NA
101. Hughes Markets†	600	420	NA	NA	NA	NA	NA	NA	NA
102. Shaw†	600	425	NA	NA	NA	NA	NA	NA	NA
103. Allied Supermarkets	576	603	14.8	42.8	2.6	7.1	30.4	17	0
104. Wegmans†	575	400	NA	NA	NA	NA	NA	NA	NA
105. Cook United	556	603	(61.3)	(6.4)	NA	NA	NA	94°	NA
106. Strawbridge & Clothier	546	472	20.1	14.1	3.8	3.0	13.8	30	1
107. Food Giant	542	500	NA	NA	NA	NA	NA	NA	NA
108. Gray Drug†	540	NA	NA	NA	NA	NA	NA	401	NA
109. Hartmarx*	538	456	35.1**	20.5**	NA	NA	NA	400	NA
110. Delchamps	536	501	6.9	6.7	1.3	1.3	18.7	73	7
111. Smitty's†	534	510	NA	NA	NA	NA	NA	NA	NA
112. Big V Supers	526	517	5.5	7.3	1.0	1.4	14.4	31	1
113. Morse Shoe	523	448	19.2	(2.2)	3.7	NA	16.4	1,196	20
114. H. J. Wilson	514	458	8.8	5.6	1.7	1.2	7.6	79	NA
115. Shopwell	512	477	1.8	2.9	0.4	0.6	6.6	65	1
116. Alexander's	511	507	4.6	3.2	0.9	0.6	7.5	15	0
117. Fisher Foods	506	524	0.5	(0.2)	0.1	NA	0.7	48	2
118. Sentry Food	499	486	1.5	2.1	0.3	0.4	5.6	44	2
119. Thriftimart	498	503	3.8	3.9	0.8	0.7	9.4	44	2
120. Penn Traffic*	495	438	13.5**	10.5**	2.7	2.4	12.4	75	NA
121. Nash Finch*	489	493	7.3**	7.7**	NA	NA	NA	59	NA
122. The Gap	481	445	21.6	18.2	4.5	4.1	21.1	550	46
123. Pueblo International	477	506	3.8	3.9	0.8	0.7	9.4	44	2
124. Gordon Jewelry	475	490	19.8	21.7	4.2	4.4	8.8	681	22
125. U-Tote 'M' †	475	330	NA	NA	NA	NA	NA	NA	NA
126. General Host*	462	289	38.2**	19.0**	NA	NA	NA	NA	NA
127. Piggly Wiggly So.†	450	NA	NA	NA	NA	NA	NA	79	NA
128. The Boys†	450	NA	NA	NA	NA	NA	NA	49	NA
129. Peter J. Schmitt†	442	NA	NA	NA	NA	NA	NA	62	NA
130. Boise Cascade*	440	310	NA	NA	NA	NA	NA	85	NA
131. Foodarama	440	426	0.2	1.2	0.0	0.2	0.7	31	NA
132. Heck's	435	399	9.6	11.1	2.2	1.3	8.4	122	6

* Retail only ** Operating earnings ( ) Loss † Estimated NA Not available ° 41 to be closed in 1984

Source: Chain data and *Chain Store Age Executive* estimates

$100 MILLION CLUB

Chains	1983 Sales (000)	1982 Sales (000)	1983 Earnings (000)	1982 Earnings (000)	1983 Earnings As % of Sales	1982 Earnings As % of Sales	Return On Equity	Existing Units 1983	Units To Be Added 1984
133. General Mills**	$ 429	$ 453	$ 16.1**	$ (11.9)**	NA	NA	NA	244	11
134. King Kullen†	428	NA	NA	NA	NA	NA	NA	55	NA
135. Arden Group*	423	458	7.0**	7.7**	NA	NA	NA	64	NA
136. Sutherland	423	345	NA	NA	NA	NA	NA	82	4
137. Harris-Teeter†	422	NA	NA	NA	NA	NA	NA	NA	NA
138. Ingles	418	378	4.9	3.9	1.2	1.1	13.4	83	10
139. Jamesway	417	333	11.5	6.8	NA	NA	NA	NA	NA
140. Chatham†	410	NA	NA	NA	NA	NA	NA	41	NA
141. HRT Inc.	410	444	(35.8)	(38.5)	NA	NA	NA	NA	NA
142. Pamida	410	361	NA	NA	NA	NA	NA	164	10
143. Woodward & Lothrop	404	358	15.5	10.7	3.9	3.0	13.1	16	0
144. Brookshire†	400	NA	NA	NA	NA	NA	NA	69	NA
145. C. R. Anthony	396	396	9.8	9.2	2.5	2.3	13.3	289	6-8
146. Munford	396	373	7.5	7.2	1.9	1.9	16.6	1,140	95-110
147. Schwegmann's†	380	NA	NA	NA	NA	NA	NA	11	NA
148. A. J. Bayless	378	384	3.4	1.5	0.9	0.4	10.9	59	1
149. General Nutrition	375	355	24.9	24.8	NA	NA	NA	NA	NA
150. Scrivner's*	375	292	6.1**	7.9**	NA	NA	NA	NA	5
151. Price Club†	370	NA	NA	NA	NA	NA	NA	16	NA
152. Schultz Sav-O	369	363	1.1	1.3	0.3	0.4	10.7	39	NA
153. Times Square†	364	NA	NA	NA	NA	NA	NA	23	NA
154. Scotty's[1]	359	308	11.3	11.1	3.1	3.6	NA	105	NA
155. Ward's Co.	357	246	12.0	5.5	3.4	2.2	35.7	97	16
156. Almac†	350	NA	NA	NA	NA	NA	NA	40	NA
157. Jitney Jungle†	350	NA	NA	NA	NA	NA	NA	52	NA
158. Dollar General	347	290	15.1	11.3	4.4	3.9	21.5	1,128	30
159. Carson Pirie Scott*	343	323	14.9**	14.6**	NA	NA	NA	24	NA
160. S. M. Flickinger	342	340	NA	NA	NA	NA	NA	78	NA
161. Mayfair Supermarkets	341	320	3.1	2.2	9.2	6.8	43.8	32	NA
162. Giant Food (Pa.)†	340	NA	NA	NA	NA	NA	NA	34	NA
163. Village Supers†	340	NA	NA	NA	NA	NA	NA	21	NA
164. Brooks Fashions	336	212	23.5	7.2	7.0	3.4	NA	NA	NA
165. The Pantry†	332	325	NA	NA	NA	NA	NA	475	25
166. Red Food†	330	NA	NA	NA	NA	NA	NA	39	NA
167. Tamarkin†	330	NA	NA	NA	NA	NA	NA	44	NA
168. Victory Markets	329	323	2.9	2.6	0.9	0.8	18.4	87	3
169. Hook Drugs	321	285	8.7	6.6	2.7	2.3	21.4	298	25
170. Duckwall-ALCO	317	216	8.6	4.3	2.7	2.0	16.8	159	7
171. Schottenstein Stores	317	274	27.1	21.4	8.5	7.8	41.0	NA	NA
172. Minyard Foods†	315	NA	NA	NA	NA	NA	NA	52	NA
173. Fay's Drug	312	270	8.1	5.5	2.6	2.0	20.7	102	17
174. Hechinger	310	241	16.2	11.7	5.2	4.9	18.9	41	7
175. Randall Stores	310	300	4.2	5.3	1.4	1.8	17.5	33	3
176. Diamond Lumber	306	244	NA	NA	NA	NA	NA	97	NA
177. Pep Boys	306	265	15.5	12.1	5.0	4.6	18.4	124	NA
178. Pearle Optical	305	258	17.3	12.0	5.7	4.7	18.7	550	115
179. Fred W. Albrecht†	300	NA	NA	NA	NA	NA	NA	28	NA
180. Adams Drug	302	286	7.1	4.6	2.4	1.6	16.5	420	NA
181. Brown Group*	299	278	128.9**	23.5**	NA	NA	NA	1,929	237
182. Standard Brands Paint*	297	260	18.6**	13.4**	6.3	5.1	14.2	119	10
183. Farm Fresh	295	265	7.1	5.4	2.4	2.0	NA	NA	NA
184. Mott's Supermarkets	295	294	1.5	3.5	0.5	1.2	NA	NA	NA
185. Dart Drugs†	292	NA	NA	NA	NA	NA	NA	71	NA
186. Tradewell Stores	291	311	1.6	3.0	0.6	1.0	8.2	103	2
187. Elder-Beerman	289	262	7.1	1.8	2.5	0.7	5.7	206	0
188. Country Club†	287	NA	NA	NA	NA	NA	NA	32	NA
189. Perry Drug	286	244	4.5	2.9	1.9	1.2	11.5	183	NA
190. Oshmans	283	247	10.3	7.1	3.6	2.9	19.7	186	15-19
191. Inserra Supers	280	NA	NA	NA	NA	NA	NA	15	NA
192. S. E. Nichols	277	257	6.8	2.5	2.4	0.1	21.0	42	NA
193. Fareway Stores†	276	NA	NA	NA	NA	NA	NA	42	NA
194. The Lawson Co.	275†	NA	NA	NA	NA	NA	NA	NA	NA
195. Family Dollar	264	207	15.7	10.7	5.9	5.2	NA	NA	NA
196. Home Depot	256	118	NA	NA	NA	NA	NA	19	NA
197. Ernst Home Centers†	255	230	NA	NA	NA	NA	NA	72	NA
198. Hess's	254	240	8.6[b]	4.8[b]	3.4	2.0	16.7	29	3

* Retail only ** Operating earnings ( ) Loss † Estimated NA Not available [a] Year ended May 29, 1983 [b] Pretax [1] Year ended July 2, 1983

Source: Chain data and *Chain Store Age Executive* estimates

$100 MILLION CLUB

Chains	1983 Sales (000)	1982 Sales (000)	1983 Earnings (000)	1982 Earnings (000)	1983 Earnings As % of Sales	1982 Earnings As % of Sales	Return On Equity	Existing Units 1983	Units To Be Added 1984
199. D. H. Holmes	$ 254	$ 241	$ 8.5	$ 6.9	3.3	2.9	14.9	14	1
200. Shop & Go	254	202	8.9	6.4	3.5	3.2	NA	NA	NA
201. Dresser Bros.	253	224	4.3	3.1	1.7	1.4	15.6	46	15
202. Fiesta Markets†	250	NA	NA	NA	NA	NA	NA	NA	NA
203. Meimarkets†	250	NA	NA	NA	NA	NA	NA	15	NA
204. Pay N Pak	250	187	10.0	6.4	4.0	3.4	NA	100	NA
205. Peavey†	250	NA	NA	NA	NA	NA	NA	230	NA
206. H. C. Prange	248	233	3.6	1.3	1.4	0.6	10.0	71	1
207. Higbee	246	215	6.3	3.1	2.5	0.1	6.4	11	NA
208. Consumer's Market†	240	NA	NA	NA	NA	NA	NA	32	NA
209. Handyman	240	200	NA	NA	NA	NA	NA	77	NA
210. House of Fabrics	240	231	9.7	11.3	4.0	4.9	14.3	684	70
211. Wilgram Foods†	240	NA	NA	NA	NA	NA	NA	38	NA
212. Save Mart†	240	NA	NA	NA	NA	NA	NA	NA	NA
213. Charming Shoppes	238	174	17.3	12.1	7.2	7.0	27.0	362	NA
214. Miller-Wohl	237	222	16.5	16.4	6.9	7.4	16.7	350	NA
215. Food World (N.C.)	236	210	NA	NA	NA	NA	NA	82	5
216. B. Altman	235	210	NA	NA	NA	NA	NA	7	0
217. Menards†	228	200	NA	NA	NA	NA	NA	21	NA
218. Pic 'n Save	227	178	36.5	27.0	16.0	15.2	31.0	85	5
219. Wawa Markets†	226	NA	NA	NA	NA	NA	NA	273	NA
220. Lowe's Food Stores†	222	NA	NA	NA	NA	NA	NA	95	NA
221. Hamburg†	215	NA	NA	NA	NA	NA	NA	50	NA
222. Burlington Coat	215	128	12.0	6.9	5.6	5.4	NA	NA	NA
223. Fisher's Big Wheel†	215	NA	NA	NA	NA	NA	NA	86	NA
224. Zayre	215	NA	NA	NA	NA	NA	NA	128	NA
225. Rex's Fabric Centers†	213	189	NA	NA	NA	NA	NA	55	NA
226. Jacobson's	213	189	4.4	1.8	2.0	0.9	15.5	19	0
227. Fabri-Centers	209	210	4.6	7.2	2.2	3.4	8.5	628	50
228. Angelo's†	204	NA	NA	NA	NA	NA	NA	73	NA
229. Ann & Hope†	203	NA	NA	NA	NA	NA	NA	6	NA
230. Central Hardware†	200	180	NA	NA	NA	NA	NA	30	NA
231. Lasco†	200	NA	NA	NA	NA	NA	NA	28	NA
232. Dixieland Food†	197	NA	NA	NA	NA	NA	NA	NA	NA
233. Jewelcor	196	182	1.3	0.5	0.6	0.0	NA	NA	NA
234. Brentwood Markets†	195	NA	NA	NA	NA	NA	NA	NA	NA
235. Bonanza	194	159	3.9	2.6	2.0	1.7	21.3	72	6-8
236. Wonder Market	190	150	NA	NA	NA	NA	NA	14	NA
237. Harding Friendly Markets†	186	NA	NA	NA	NA	NA	NA	38	NA
238. Pier 1	186	165	10.9	8.6	5.9	5.2	NA	NA	NA
239. Rosauer's†	185	NA	NA	NA	NA	NA	NA	24	NA
240. Giant Food (Tenn.)†	183	NA	NA	NA	NA	NA	NA	45	NA
241. Goodman Malone Blanche	182	156	NA	NA	NA	NA	23.8	6	7
242. Kay Jewelry	182	158	3.6	(0.5)	2.0	(0.3)	15.7	337	4
243. Wieboldt's	181	179	(3.5)	(1.9)	NA	NA	NA	13	0
244. Big Bear (Calif.)†	180	NA	NA	NA	NA	NA	NA	30	NA
245. Community Cash†	180	NA	NA	NA	NA	NA	NA	37	NA
246. Copps	180	183	NA	(0.3)	NA	NA	NA	25	0
247. Falley's†	180	NA	NA	NA	NA	NA	NA	NA	NA
248. West Building†	180	157	NA	NA	NA	NA	NA	65	NA
249. Sym's	179	147	10.3	7.5	5.8	5.1	NA	NA	NA
250. Younkers	179	167	4.8	1.9	2.7	0.4	6.2	29	0
251. Rowe & Mandlebaum†	175	NA	NA	NA	NA	NA	NA	NA	NA
252. Big Discount Wonder Markets†	170	NA	NA	NA	NA	NA	NA	13	NA
253. Sunshine Jr. Stores	169	172	1.8	1.8	1.1	1.0	NA	362	NA
254. King's Super Markets†	168	NA	NA	NA	NA	NA	NA	NA	NA
255. Bonner's	166	163	(0.9)	0.4	NA	2.7	NA	57	NA
256. Basha's†	165	NA	NA	NA	NA	NA	NA	33	NA
257. Little General†	165	NA	NA	NA	NA	NA	NA	359	NA
258. McCoy's Building Supply†	165	129	NA	NA	NA	NA	NA	50	NA
259. Harmon City Markets	162	149	NA	NA	NA	NA	NA	5	1
260. Spencer Gifts	161	139	15.2	5.2	9.5	3.8	14.4	435	2
261. Fergusson Home Centers†	160	140	NA	NA	NA	NA	NA	42	NA

* Retail only ** Operating earnings ( ) Loss NA Not available † Estimated

Source: Chain data and *Chain Store Age Executive* estimates

$100 MILLION CLUB

Chains	1983 Sales (000)	1982 Sales (000)	1983 Earnings (000)	1982 Earnings (000)	1983 Earnings As % of Sales	1982 Earnings As % of Sales	Return On Equity	Existing Units 1983	Units To Be Added 1984
262. Quiktrip*†	$ 160	NA	NA	NA	NA	NA	NA	266	NA
263. Sloan's Supers†	160	NA	NA	NA	NA	NA	NA	41	NA
264. Sprouse-Reitz	159	$ 151	$ 4.4	$ 3.7	2.8	2.4	9.8	320	15
265. Haverty Furniture	155	125	5.3	2.6	3.5	2.1	13.7	65	4
266. Scott's Food Stores†	155	NA	NA	NA	NA	NA	NA	NA	NA
267. Carr's Quality Centers†	154	NA	NA	NA	NA	NA	NA	NA	NA
268. D'Urso†	153	NA	NA	NA	NA	NA	NA	18	NA
269. ZCMI	151	141	3.6	3.3	2.4	2.3	12.0	8	1
270. Hamady	150	NA	NA	NA	NA	NA	NA	24	NA
271. Market Basket†	150	NA	NA	NA	NA	NA	NA	NA	NA
272. Martin & Bayley†	150	NA	NA	NA	NA	NA	NA	NA	NA
273. Rice Food†	150	NA	NA	NA	NA	NA	NA	39	NA
274. Dan's Supreme	148	NA	NA	NA	NA	NA	NA	24	NA
275. McRae's†	147	127	NA	NA	NA	NA	NA	13	2
276. Bonnie Be-Lo Markets†	145	NA	NA	NA	NA	NA	NA	NA	NA
277. Gaylord's	143	115	1.1	0.08	0.8	NA	7.7	37	NA
278. High's Dairy†	142	NA	NA	NA	NA	NA	NA	NA	NA
279. Man-Dell†	142	NA	NA	NA	NA	NA	NA	16	NA
280. Big Y Foods	140	NA	NA	NA	NA	NA	NA	16	NA
281. Grand Auto	140	122	5.1	3.5	3.6	2.9	21.5	84	3
282. Singer Super†	140	NA	NA	NA	NA	NA	NA	7	NA
283. Waremart†	140	NA	NA	NA	NA	NA	NA	19	NA
284. Erb Lumber	137	97	2.1	0.8	1.5	0.8	NA	36	NA
285. Parisian	137	123	6.1	3.7	NA	NA	NA	NA	NA
286. Casey's†	136	NA	NA	NA	NA	NA	NA	NA	NA
287. Golden Gallon†	135	NA	NA	NA	NA	NA	NA	107	NA
288. Short Stop†	135	NA	NA	NA	NA	NA	NA	NA	NA
289. Ukrops Super†	135	NA	NA	NA	NA	NA	NA	NA	NA
290. Love's Country Store†	131	NA	NA	NA	NA	NA	NA	NA	NA
291. Genuardi's†	130	NA	NA	NA	NA	NA	NA	NA	NA
292. Red Apple†	130	NA	NA	NA	NA	NA	NA	NA	NA
293. Wyerhaeuser†	130	120	NA	NA	NA	NA	NA	11	NA
294. Shoe Town	129	NA	6.6	NA	NA	NA	NA	NA	NA
295. Forest City†	128	117	NA	NA	NA	NA	NA	20	NA
296. Garland's Food†	128	NA	NA	NA	NA	NA	NA	14	NA
297. W. Bell	125	135	2.7	1.4	2.1	1.0	15.4	18	NA
298. Dahl's Food Markets†	125	NA	NA	NA	NA	NA	NA	NA	NA
299. Eberhard†	125	NA	NA	NA	NA	NA	NA	29	NA
300. Rini's Stop-N-Shop†	125	NA	NA	NA	NA	NA	NA	NA	NA
301. Alexander's Market†	121	NA	NA	NA	NA	NA	NA	NA	NA
302. Giant Super Markets/ Ray's†	121	NA	NA	NA	NA	NA	NA	NA	NA
303. Carter-Jones Lumber†	120	100	NA	NA	NA	NA	NA	136	NA
304. Foxworth-Galbraith†	120	70	NA	NA	NA	NA	NA	49	NA
305. Iandoli's Super Markets†	120	NA	NA	NA	NA	NA	NA	NA	NA
306. National Shoes	119	98	3.7	2.3	3.1	2.4	8.1	NA	NA
307. Phillips-Van Heusen*	119	111	NA	NA	NA	NA	NA	117	NA
308. Superamerica†	118	NA	NA	NA	NA	NA	NA	NA	NA
309. Heinen's†	116	NA	NA	NA	NA	NA	NA	NA	NA
310. Chicago Market†	115	NA	NA	NA	NA	NA	NA	12	NA
311. Warehouse Grocery Management†	115	NA	NA	NA	NA	NA	NA	14	NA
312. Nat'l Lumber & Supply	114	98	2.2	1.7	1.9	1.7	14.5	13	5
313. Wolohan†	112	89	NA	NA	NA	NA	NA	35	NA
314. Foodland Super Markets†	110	NA	NA	NA	NA	NA	NA	NA	NA
315. O'Malley's†	110	65	NA	NA	NA	NA	NA	19	NA
316. Quality Food†	109	NA	NA	NA	NA	NA	NA	NA	NA
317. Winkelman Stores	108	99	1.7	1.1	1.5	1.1	3.5	81	NA
318. H. G. Hill Stores†	105	NA	NA	NA	NA	NA	NA	NA	NA
319. Gottschalk's	104	95	NA	NA	NA	NA	NA	8	NA
320. Homecrafters Warehouse†	104	66	NA	NA	NA	NA	NA	36	NA
321. Paul Harris	101	90	3.4	0.7	3.4	0.8	23.1	178	15
322. Byerly's†	100	NA	NA	NA	NA	NA	NA	NA	NA
323. Stump's Enterprises	100	NA	NA	NA	NA	NA	NA	NA	NA

* Retail only † Estimated NA Not available

Source: Chain data and *Chain Store Age Executive* estimates

$100 MILLION CLUB

Conglomerates

Chain and Division	Volume (in millions) Most Recent Fiscal Year	Volume (in millions) Prev. Fiscal Year	Units Most Recent Fiscal Year	Units Prev. Fiscal Year
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Food Stores	13,931	13,574	1,428	1,418
Drug Stores (SupeRx)	789	716	606	563
Convenience Stores	260	252	352	352
Nonretail	256	220		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Department Stores				
Bloomingdale's	788	681	14	13
Abraham and Straus	732	651	15	15
Foley's	626	598	15	14
Burdine's	630	583	25	23
Bullock's (including six Bullock's specialty stores)	589	518	28	26
Rich's	509	430	17	17
Lazarus	420	389	17	17
Sanger Harris	362	329	14	14
Shillito/Rikes	360	343	14	14
Filene's	293	254	14	12
Goldsmith's	148	131	6	6
Boston Store	131	118	8	8
Levy's (unit of Sanger Harris)	38	39	2	2
Specialty Stores				
I. Magnin	276	256	25	25
The Children's Place	103	69	114	89
Supermarkets				
Ralphs	1,474	1,276	127	118
Mass Merchandising				
Gold Circle	590	501	51	50
Richway	401	322	31	30
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Food Stores	5,546	5,186	145	160
Lucky				
Eagle				
Food Basket				
Kash 'n Karry				
Department Stores				
Gemco	2,135	2,113	76	80
Specialty Stores	707	673		
Apparel			357	365
Pic-A-Dilly				
It's-A-Dilly				
Yellow Front				
Automotive			439	400
Kragen				
Checker				
Honey's				
Fabric			190	184
Hancock				
Fabric Warehouse				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Target	3,118	2,412	205	167
Mervyn's	1,689	1,336	109	92
Department Stores	1,484	1,350	54	54
Hudson's	728	684	20	19
Dayton's	514	437	16	16
Diamond's	160	143	12	13
John A. Brown	82	86	6	6

Chain and Division	Volume (in millions) Most Recent Fiscal Year	Volume (in millions) Prev. Fiscal Year	Units Most Recent Fiscal Year	Units Prev. Fiscal Year
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Specialty Stores	672	562	707	668
B. Dalton	445	374	701	662
Lechmere	227	188	6	6
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Combination Stores	1,900	1,271	140	114
Buttrey/Osco			34	33
Eisner/Osco			10	9
Jewel/Osco			93	72
Sav-On			3	
Drug Stores	1,810	1,669	358	356
Osco			185	182
Sav-On			173	174
Supermarkets	3,510	3,488	193	234
Buttrey			23	25
Eisner			15	25
Jewel			105	132
Star			50	52
White Hen Pantry (convenience)			301	275
Jewel T (discount food)			132	140
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Woolworth	1,821	1,707	1,263	1,230
Kinney Shoe (U.S.)	1,016	910		
Kinney			1,557	1,583
Susie's Casuals			260	296
Foot Locker			460	373
Lady Foot Locker			17	1
Fredelle			18	11
Frugal Frank's			21	14
Richman Brothers	222	198		
Richman			210	222
Anderson-Little			105	108
J. Brannam	71	85	38	30
Little Folk (Includes Kids Mart)	33		120	122
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vons	2,431	2,383	176	174
T.G. & Y. and AIM	2,000	2,267	812	901
Furniture Group	200		35	38
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Department Stores	2,988	2,655	144	142
May Co. (Calif.)	725	655	34	34
Hecht Co.	477	415	23	23
Famous-Barr	419	364	16	15
Kaufman's	302	269	11	10
May Co. (Cleveland)	212	189	10	7
Meier & Frank	204	177	7	8
G. Fox & Co.	174	153	8	10
M. O'Neil Co.	156	140	10	10
May D & F	148	136	11	10
Strouss	104	101	8	9
May-Cohens	68	58	6	6
Venture	794	680	51	47
Volume Shoe	429	319	1,389	1,279
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Apparel				
Marshalls	1,062	830	174	137

$100 MILLION CLUB

Chain and Division	Volume (in millions) Most Recent Fiscal Year	Volume (in millions) Prev. Fiscal Year	Units Most Recent Fiscal Year	Units Prev. Fiscal Year
Chess King	190	152	494	488
Foxmoor	176	179	621	616
Wilsons	61	37	116	88
Footwear				
Meldisco	848	759	2,042	2,002
Thom McAn	444	455	1,167	1,238
Open Country	26	24	87	79
CVS	734	616	513	466
Kay-Bee Toy & Hobby	281	183	456	361
Linens 'n Things	80		77	
Department Stores				
Lord & Taylor	630	564	40	39
J. W. Robinson (Calif.)	470	415	21	21
L. S. Ayres	275	255	18	13
Sibley, Lindsay & Curr	172	164	14	14
Joseph Horne	170	160	13	13
Denver Dry Goods	128	115	12	12
Hahne	112	104	8	8
Goldwaters	102	91	9	9
Robinson's (Fla.)	84	74	7	7
Stewart's Dry Goods	70	66	7	7
H & S Pogue	67	65	5	5
Powers Dry Goods	48	45	7	7
Caldor	1,100	925	95	79
Loehmann's	290	260	67	61
Jordan Marsh (New England)	470	410	16	14
The Bon	430	370	36	35
Joske's	400	340	28	28
Stern's	350	310	16	15
Maas Bros.	300	270	19	19
Jordan Marsh (Fla.)	260	240	15	14
Brooks Bros.	210	180	38	34
Pomeroy's	130	120	14	14
Bonwit Teller	125	110	14	13
Miller & Rhoads	120	110	22	22
Donaldson's	110	100	9	9
Garfinckel's	100	90	10	10
Miller's	90	80	12	11
Read's	75	70	6	5
Block's	75	70	9	9
Plymouth Shops	54	49	46	45
All Others (Troutman's, Deys, Cain-Sloan, Levy's, Herp's, Heer's, Wren's, Muller's, Catherines, Ann Taylor, Harzfelds)	377	297	253	229
The Broadway (So. Calif.)	815	720	40	40
Emporium Capwell	570	482	21	20
Neiman-Marcus	510	420	20	18
John Wanamaker	415	355	16	16
Waldenbooks	407	345	843	801
Weinstock's	215	180	12	12
Thalheimers	220	179	26	25
Holt-Renfrew	180	165	17	17
Broadway-Southwest	145	120	10	10
Contempo Casuals			79	66
Bergdorf Goodman			1	1

Chain and Division	Volume (in millions) Most Recent Fiscal Year	Volume (in millions) Prev. Fiscal Year	Units Most Recent Fiscal Year	Units Prev. Fiscal Year
Pathmark	3,049	2,838	147	136
Supermarkets			130	121
Drug Stores			17	15
Rickel Home Centers	275	224	36	34
Department Stores (Howland, Steinbach, Hochschild, Kohn)	193	186	33	37
Bamberger's	1,055	900	23	23
Macy's New York	1,045	900	17	16
Macy's California	880	750	22	21
Davison's	270	225	13	13
Macy's Midwest	215	200	18	19
Saks Fifth Avenue	836	740	38	34
Marshall Field's	675	618	21	20
Gimbels East	470	417	20	20
Frederick & Nelson	228	200	15	15
Kohl's Department Stores	211	140	31	22
Gimbels Midwest	200	184	11	11
Gimbels Pittsburgh	160	148	7	7
J. B. Ivey & Co.			25	24
John Breuner Co.			53	42
The Crescent			3	3
Thimbles			8	
Zayre	1,902	1,616	275	264
Specialty Stores	267	190	474	353
Hit or Miss			356	267
T. J. Maxx			118	86
Eckerd Drug	2,010	1,810	1,319	1,238
JByrons	188	169	48	43
American Home Video	131	97	179	163
Eckerd Optical Centers			157	157
Eckerd Apparel			94	87
McCrory	818	760	716	718
Lerner	699	682	796	790
OTASCO	303	291	288	284
Gayfers	285	250	12	12
McAlpin's	270	240	9	9
The Jones Stores	170	150	7	7
Castner Knott	160	140	10	10
Joslins	145	125	9	8
Gayfers Montgomery/Fair	130	115	6	6
JB White	112	100	7	6
Bacons	105	95	6	6
The Lion	90	80	3	3
The Right House			3	3
Hennessy's			3	3
Root's			1	3
deLendrecie's			1	1
Glass Block			1	1

Source: Chain data and *Chain Store Age Executive* estimates

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Thriftimart—119
Thrifty Corp.—58
Times Square—153
Toys "R" Us—50
Tradewell Stores—186
U-Tote 'M'—125
U.S. Shoe—69
Ukrops Super—289
Victory Markets—168
Village Supers—163
Von's—33
Waldbaum's—43
Wal-Mart—18
Walgreen—34
Ward's Co.—155
Warehouse Grocery Management—311
Waremart—283
Wawa Markets—219
Wegmans—104
Weis Markets—73
West Building—248
Western Auto—88
Wickes—45
Wieboldt's—243
H. J. Wilson—114
Winkelman Stores—317
Winn-Dixie—10
Wolohan—313
Wonder Market—236
Woodward & Lothrop—143
Woodward Stores—62
F. W. Woolworth—14
Wyerhaeuser—293
Younkers—250
Zale Corp.—67
Zayre—31
ZCMI—269

merchandise handling improvements, renovations to selling areas and the centralization of selected data processing and administrative services.

May Co.'s 1983 sales topped the $4 billion mark for the first time, totaling $4.2 billion, up 15.3% over last year's $3.6 billion. A remarkable 32% increase in net income raised net earnings to $187 million, reflecting the company's ninth consecutive year of record earnings.

Contributing to that end were significant advances in operating earnings reported by each of the company's divisions. Department stores were up 21.5%; Venture, 45.2%, and Volume Shoe, 44.9%.

Dayton Hudson marked its 13th consecutive year of improved earnings with an increase of 23% to $243.2 million from last year's $198.4 million. Its 22% increase in earnings per share came right on the heels of a 23% increase in 1982.

Sales increased similarly, up 23% to $6.9 billion from the previous year's $5.6 billion, while comparable-store sales went up 11%.

The company's department store group experienced a 36% increase in operating profits to $155.7 million, on sales of $1.48 billion. That figure was dragged down, however, by the company's six-store John A. Brown division, which saw sales fall 5% to $81.6 million from $86.1 million in 1982.

Hudson's, having substantially improved its operating expense rate and moderately increasing its gross margin rate, ended the fiscal year with an operating profit increase of 27% on sales that grew a mere 6% to $728 million. Dayton's increased its sales and operating profit 18% and 42%, respectively, with major improvements in its operating expense rate that more than offset a slight reduction in its gross margin rate. Sales for that division totaled $514.3 million in 1983, up from $437.3 million a year earlier.

These two bright spots in Dayton Hudson's department store group are presently in the process of merging, according to an announcement made in March of this year. The resulting company, made up of 36 stores, will be the largest individual department store operation in the United States.

Allied Stores is attributing its record sales and earnings to last year's boost in the economy as well as the success of its merchandising efforts. The company's strategy of featuring upper-moderate and better apparel classifications, as well as the upgrade of its home furnishings business, helped increase Allied's net sales 14.3% to $3.7 billion from $3.2 billion the previous year. On a comparable-store basis, sales increased 11.4%.

The company also reported record net earnings of $128.5 million for the same period, an increase of 41.7% over the $90.7 million earned a year earlier. Contributing to this increase were improved controls on expenses and inventories, along with a $4.3 million decline in net interest expense in 1983, primarily as a result of favorable long-term financings during 1982.

During 1983, Associated Dry Goods (ADG) benefited from strong sales on top-of-the-line items in many of its merchandise classifications, to achieve a net sales increase of 16.6% to $3.7 billion, up from the previous year's $3.2 billion. Net earnings increased 47.3% to $115.5 million from $78.4 million in 1982.

Although still primarily a department store company, ADG has aggressively expanded its Caldor discount store division with the opening of 16 new stores in 1983. Loehmann's was acquired in May 1983 and its eight-month sales, since the acquisition, combined with Caldor's full year sales, accounted for 35% of the company's volume.

Sales of the 11 department store divisions advanced 7.3%, compared with an increase of 4.9% in 1982. Sales of continuing operations were up 10.9% to $2.4 billion, up from the previous year's $2.2 billion. ■

SUPERMARKET PROFILE

Struggle to post sales gains

Real sales increases were up in 1983, rising to 6.4% after being adjusted for inflation.

In 1983 retail sales in the supermarket industry increased by 7.6%, continuing a five-year trend of declining sales increases, according to statistics compiled by the Food Marketing Institute (FMI).

However, real sales increases for retailers were up, rising to 6.4% after being adjusted for inflation.

For most of the major food chains, substantial increases in 1983 were hard to come by. Not only was food price inflation almost nonexistent, but for many companies new store additions were held to a minimum; competitive pressures intensified (most notably from warehouse and superwarehouse store operators) and some areas of the country (most notably the Midwest) remained hard hit by the aftershocks of the recession.

Probably the most "disappointing" performance of the year was reported by Kroger, where sales rose only 3.2% from year-earlier levels while earnings dropped 33.9%.

Kroger management acknowledges that results were "hurt by more aggressive competition in important Kroger markets, the sluggish economic recovery and higher costs" and admits that it "underestimated the impact of these factors."

Sales at Safeway were up 5.3% in 1983, outpacing the rate of inflation; net income climbed 15%

Conditions were considerably better at Safeway, where sales were up 5.3%, outpacing the rate of inflation, and net income climbed approximately 15%. Management attributed most of these increases to the fact that its stores have become more price competitive, while also having enhanced the merchandise assortment and presentation. In addition, management has accelerated its store expansion program, improved store productivity, and instituted a program of ongoing expense control.

As a result of many of these actions, gross profit as a percentage of sales for the company also went up significantly in 1983, from 22.7% to 23.3%.

At Lucky Stores, sales increased by 5.2% while earnings increased by 14%, both setting new records for the company. In particular, sales and earnings for Lucky's food stores rebounded in southern California and in Arizona, along with growth in Florida. It remained a "difficult" year in the Midwest. The food stores contributed over 52% of Lucky's total earnings and 66% of sales.

During 1983, the company opened larger, prototype food centers in each of its food divisions and added "service departments such as in-store bakeries, delis and pharmacies at a rapid rate."

Management adds, "We have been remodeling and remerchandising our stores in each of our divisions based on what our customers have told us."

Attention to customer demographic trends is, in fact, showing up throughout the supermarket industry. For example, Albertsons' management emphasizes that the chain has developed several store formats specifically in response to changing consumer attitudes.

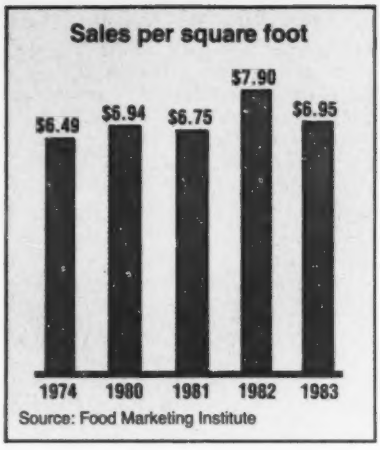
At Albertsons, sales during 1983 were up 8.6%, while net earnings soared 20.4%. According to management, this achievement was particularly notable because of the challenges of operating in the 1983 economic environment. These included "an uncertain economy, greater price competition" and the fact that operating costs continued "to rise more rapidly than selling prices."

For Supermarkets General, 1983 was a year of both record sales, up 8%, and record earnings, up 7%. Supermarket sales, at $3 billion, contributed 87% of the company's total, the same percentage in 1983.

Last year Supermarkets General undertook the most aggressive expansion program in terms of square footage added, in the history of its Pathmark supermarket division. Much of this expansion involved either the construction of new supercenters or the conversion of existing stores to this concept, which includes a variety of new merchandising departments.

Management notes that supercenters open for the full year generated average-store volume of over $26 million, while the typical supermarket in the industry averages approximately $10 million per year. (The supercenters average 34,000 sq. ft. of selling space, or 48,000 sq. ft. in total.)

Other chains are also recognizing the advantages of building or converting more stores to a larger format—following the trend of providing one-stop shopping destinations. At Stop & Shop, for example (where corporate sales and earnings also reached record highs), four new Super Stop & Shops were opened in 1983 and 11 are planned for this year.



Management notes that such superstores resulted not only in higher volume stores, but also in enhanced profitability due to the shift in the merchandise mix to higher margin items. It expects that the growth of the superstores will continue to improve bottom-line results.

Already in 1983, despite intensive competition from warehouse and superstore openings by other operators, the supermarket company continued to experience sales growth and made an improved contribution to corporate profits.

Store expansion was also on the minds of the management of American Stores, where during 1983, seven combination drug/food stores were opened. The company also remodeled nine first-generation combination stores in Texas and 157 food and drug stores in other regions. For the year, the company also reported new records in both sales, up 6.3%, and net earnings, up a whopping 30%.

At Jewel Cos., recently acquired by American Stores, the four supermarket companies also posted record sales and earnings for the sixth consecutive year. Sales were up 1.5% over 1982 while pretax earnings increased 28.2%. The largest increases were posted by Star Market in New England. ■

DRUG STORE PROFILE

Chain drug operators markedly improved performance in sales over the prior year.

Riding on the recovery

It's often said that drug store companies are recession-resistant. The drug store is at an advantage in a soft economy because health aids and pharmaceuticals are always in demand, whether the economy itself is healthy or not. And the other merchandise categories—housewares, cosmetics, sundries and the like—contain enough low-ticket merchandise to entice the consumer even when discretionary income is tight.

In the last year or so, however, the nation's leading drug chains also proved that they are not recovery-resistant. By almost every standard—sales, income, net-to-sales, return on equity and so on—chain drug store operators markedly improved their performances over the year before.

Take Hook Drugs, for instance. The Indianapolis-based company amassed sales of $321 million in 1983, a gain of 12.4% over $285 million in 1982. Hook's 288 drug stores and 10 convalescent aids centers also generated net income of $8.7 million, a 32% improvement over $6.6 million the year before. That translates into $2.01 per share, 49¢ more than the chain earned in 1982.

Hook also achieved a return on